



**FISCAL YEAR
2012**

ANNUAL REPORT



**Jeremiah W. "Jay" Nixon
Governor**

**Douglas E. Nelson
Commissioner
Office of Administration**

**Celeste Metcalf
Director**

FOREWARD

In the past, the annual report has provided a snapshot of diversification in both the state's workforce as well as in state contract opportunities. We regret that this annual report will not contain any references to workforce diversity as in prior years.

In order for a workforce analysis to be meaningful, it should be based on the most current, up-to-date information available. It became evident, early in the preparation stages of this report, that 2010 Census data would be made available no earlier than December 2012.

Further more, our workforce diversity software was not equipped and/or was incompatible with the additional codes, fields and terms that would be included in the new census data; this required additional time to update. As of this writing, we are just now in the midst of receiving and implementing 2010 Census data. Rather than delay the distribution of the annual report any longer, we decided to separate the reports into two parts. This section of the annual report only covers the analysis of state contract expenditures.

Table of Contents

LETTER FROM THE DIRECTOR	1
EXECUTIVE SUMMARY	2
PURPOSE OF THE ANNUAL REPORT	3
OEO'S VISION AND MISSION STATEMENT	4
OFFICE OF EQUAL OPPORTUNITY STAFF	5
HISTORICAL TIMELINE.....	6
CERTIFICATION ANALYSIS.....	8
FACTORS AFFECTING PARTICIPATION CALCULATIONS	10
FISCAL YEAR 2012 STATEWIDE PROCUREMENT ANALYSIS	13
OFFICE OF ADMINISTRATION	15
DEPARTMENT OF AGRICULTURE.....	16
DEPARTMENT OF CONSERVATION.....	17
DEPARTMENT OF CORRECTIONS	18
DEPARTMENT OF ECONOMIC DEVELOPMENT	19
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION	20
DEPARTMENT OF HEALTH AND SENIOR SERVICES	21
DEPARTMENT OF HIGHER EDUCATION	22
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION	23
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS	24
DEPARTMENT OF MENTAL HEALTH	25
DEPARTMENT OF NATURAL RESOURCES.....	26
DEPARTMENT OF PUBLIC SAFETY	27
DEPARTMENT OF REVENUE.....	28
DEPARTMENT OF SOCIAL SERVICES	29
DEPARTMENT OF TRANSPORTATION.....	30
OEO FISCAL YEAR 2013 RECOMMENDATIONS	31

Jeremiah W. (Jay) Nixon
Governor



Doug E. Nelson
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Office of Equal Opportunity
301 W. High Street, Room 630
Post Office Box 809
Jefferson City, Missouri 65102-0630
(573) 751-8130 FAX: (573) 522-8078
<http://oeo.mo.gov/>

Celeste Metcalf
Director

June 4, 2013

The Honorable Jeremiah W. (Jay) Nixon
Capitol Building, Room 216
Jefferson City, Missouri 65101

Dear Governor Nixon:

What a challenging and yet rewarding year this has been! The Office of Equal Opportunity (OEO) has been working diligently on several infrastructure projects that will assist us in monitoring and increasing minority and women participation in the State's workforce and in state contract opportunities. The benefits of these projects will be realized in the near future. In the interim, we thank you very much for your patience with the delivery of this FY 2012 Annual Report.

The most significant and visible projects this office has been engaged in are:

- Workforce Diversity Software
- In-depth analysis of procurement policies
- Funding for a state disparity study

This year's annual report will be issued in two parts – the procurement analysis and the workforce diversity analysis. This part of the report will present an analysis of minority and women participation in state contract opportunities. The workforce diversity analysis is delayed because of the late delivery of 2010 Census data. In anticipation of the arrival of the new census data, the state was required to update its current workforce diversity software. The new software that was purchased has many more features and capabilities than the software we were using. We look forward to exploring these new features.

OEO, with the support of OA's Division of Purchasing and Materials Management (DPMM) and executive branch agencies, took an in-depth look at the state's procurement policies. The contents of this annual report will reflect some of the challenges we discovered in our attempts to increase minority and women participation. The recommendations that follow will highlight some of the changes that we anticipate will have a positive impact, if implemented.

Finally, OEO and OA have been heavily focused on raising funds for a disparity study. And we're happy to say our efforts have paid off. At the end of the 2013 legislative session, the state's budget included a \$700,000 appropriation for a disparity study. We applaud the efforts of all of our partners in this effort.

We are excited about and look forward to implementing the results of all of these efforts.

Sincerely,

Celeste Metcalf

Executive Summary

Who We Are

The Office of Equal Opportunity (OEO) is a program within the Office of Administration (OA). OEO exists to promote a diversified workforce within state government and to increase the level of opportunities for women- and minority-owned businesses seeking to contract with the state. OEO works toward these goals by completing the following primary functions: certification and advocacy of Minority/Women Business Enterprises (M/WBE), data gathering, monitoring and reporting Activities.

Celeste Metcalf was appointed OEO Director in July 2011. Since that time, the OEO continues to focus on several objectives, one of which is increasing the awareness of the benefits of diversification.

Diversification is a well known desirable goal in investment circles. In a diversified portfolio, the impact of one under-performing investment vehicle is lessened by another investment vehicle that is out-performing the others. Diversification in contract opportunities, for example, can increase the number of potential, viable vendors that the state can access, as well as increase the potential number of customers that can support small businesses.

The more exposure a business is given, the greater the opportunity to develop and cultivate long term business relationships. Once that door is opened and a relationship has been established, you have effectively improved the chances for future business opportunities.

The ultimate goal of the OEO is to focus on the underutilization of small businesses statewide. We need to figure out new, creative ways to embrace and support underutilized businesses, so we, as a State, can reap the benefits of their growth and success through the increased product and service offerings and the resulting increase in state tax revenues. Some small businesses simply need one good customer to allow them to flourish and thrive. To the extent we can contribute to the success of underutilized, small businesses statewide, we can contribute to the economic viability and financial sustainability of the State of Missouri.

What We Do

- **Certification** - OEO certifies prospective M/WBE vendors and then adds these certified vendors to our public database. This certification is what enables M/WBE vendors to be counted when the state seeks to track the level of expenditures resulting from contracts with minority and women vendors. In addition, this database provides a readily available resource for state agencies, as well as non-state government entities, seeking to do business with minority and women vendors.
- **Advocacy** - OEO is the voice that advocates on behalf of minorities and women to ensure their representation in the State of Missouri's workforce and to monitor their inclusion in the State's procurement process.
- **Education & Outreach** - OEO is constantly seeking proactive ways to foster the inclusion of minorities and women throughout state employment and contracting opportunities, including, but not limited to, disseminating job and procurement information through various Internet-based media, such as OEO's website, on Facebook and on Twitter.
- **Matchmaking Activities** - Matchmaking includes, among other things, assisting minorities and women in the identification of state agencies that are trying to fill a need, now and in the future. These activities are designed to make introductions and also build relationships between minorities and women-owned businesses and the ultimate decision makers.
- **Data Gathering** - OEO collaborates with each executive department to gather pertinent data regarding the utilization of minority and women businesses throughout state government.
- **Reporting** - OEO reports the results of our findings on a regular basis to the Commissioner of Administration and on an annual basis to the Governor as mandated by Executive Order 05-30.

Purpose of the Annual Report

As the chief diversity office for the State of Missouri, this annual report is submitted to the Governor to summarize the progress made toward the achievement of the state's diversification goals. Normally, this report would reflect both workforce and state expenditure details. However, as a result of an unanticipated delay in the delivery of 2010 Census data and a software issue, this report will be divided into two parts – the procurement analysis and the workforce diversity analysis. Thus, only the procurement analysis, which details the percentage of state agency expenditures that have utilized minority and women-owned businesses, will be presented in this report.

OEO is an important office within OA because of their community involvement and advocacy for diversity and inclusion for all Missouri citizens. Many ideas for improvement and feedback, from entities with a desire to express and share their experiences with the state, come from this constant contact and community involvement. As a result, OEO is an “internal” voice for these “external” concerns. OEO is empowered to offer suggestions to departments and decision makers regarding how the state can achieve desired objectives. Throughout the year, OEO meets with agencies and departments to discuss utilization goals and objectives as well as to develop strategies to increase utilization in underutilized areas.

Recommendations are provided at the conclusion of this report for departments to consider as they strive to achieve their MWBE participation goals for FY 2013 and beyond. The recommendations are designed to be a frame work for the departments to develop action plans that will enable the achievement of each department's internal initiatives and OEO's comprehensive goals. The ultimate objective is the attainment of annual contract awards that are reflective of Missouri's diverse population and demographics - a team effort that requires teamwork.



Picture 1: Gov. Nixon calls for passage of the Made in Missouri Jobs Package during a visit to Solae Company.

Picture 2: Joined by school and community leaders, Gov. Nixon details construction and renovation projects, made possible by no-interest bonds awarded by the state, at Trenton's Rissler Elementary School.

OEO's Mission Statement and Vision

Mission Statement

The OEO strives toward participation in employment and contracts commensurate with and reflective of the state's demographics, with the ultimate objective of improving and enhancing the long-term economic viability of the State of Missouri.

Vision

The OEO envisions being the central focal point for progress regarding the participation of minorities and women in employment, federal and state contracts, as well as business relationships throughout the State of Missouri.

The OEO will develop and establish a communications channel that encourages information flow from the top to the bottom. The "top" includes entities with the decision-making capacity to hire, engage and supply opportunities, such as departments, agencies and private businesses presenting opportunities of interest. The "bottom" includes the network of women, minorities and minority businesses, contractors, civic organizations, associations and certifying agencies providing the names of potential candidates with the qualifications to fulfill the opportunities presented.

In addition, the OEO will subscribe to the notion that the synergy resulting from the combined efforts of all business ventures has a greater impact statewide than the individual efforts of a few businesses. While there may be many "stars" scattered throughout Missouri, we should not focus on cultivating only the "stars" at the exclusion of the many other business entities that exist.

A successful sports team is only as good as the "bench" in place to support their star players. In much the same way that a sports team cannot rely solely on one or two individuals, the State cannot risk its future solely on a select few businesses to provide the foundation for future growth. Growth takes time, patience and attention; we must give our attention to the businesses of today AND tomorrow lest we lose both.

Finally, the OEO will strive to communicate the idea that the responsibility to increase minority and women participation cannot, and should not, rest in the hands of one agency or one entity. Raising the bar of minority and women participation statewide should be everyone's charge.

This vertically integrated approach to opportunity access, combined with the use of various State resources at our disposal, is designed to ultimately enhance the continuity, success and economic viability of all entities residing within the State of Missouri.

OFFICE OF EQUAL OPPORTUNITY STAFF



Pictured from left to right:

Celeste Metcalf – Director

Janet Carter – Certification Specialist

Edith Kamara – Management Analyst

Nancy Heyer – Certification Officer

W.T. Edmonson – Certification & Compliance Officer

Not Pictured:

Jason Parson – Site Inspector (Kansas City)

Georgetta Vann – Site Inspector (St. Louis)

Gabrielle Williams – Office Support Assistant

Historical Timeline

Period: 1990 - 1993

In 1990, the General Assembly passed, and Gov. Ashcroft signed, Senate Bills 808 & 672, directing the Office of Administration to "establish and implement a plan to increase and maintain the participation of certified socially and economically disadvantaged small business concerns or minority business enterprises, directly or indirectly, in contracts for supplies, services, and construction contracts, consistent with goals determined after an appropriate study conducted to determine the availability of socially and economically disadvantaged small business concerns and minority business enterprises in the marketplace."

Period: 1994 - 1997

In 1994, the State of Missouri utilization of M/WBE vendors was governed by Executive Order 94-03, signed by Gov. Mel Carnahan, which in Article XIII reads: ***The state shall work toward a goal that at least five (5%) percent of the contracts awarded by departments in the executive branch to for-profit businesses and five (5%) percent of the contracts awarded to not-for-profit businesses shall be to minority-owned or controlled enterprises.*** In 1994, the Missouri General Assembly appropriated funds through the Department of Economic Development to conduct a disparity study. The main objective of the 1994 disparity study was to determine the utilization of M/WBEs in contracts and awards by the State. The consultant was directed to determine whether any barriers to equal contracting opportunities existed that were the product of discriminatory practices in the marketplace in which the State operates. The Disparity Study documented that the State of Missouri, in 1996, was, at a minimum, a passive participant in discrimination practices in its market area. The Study supported the creation of a State of Missouri Minority/Women-Owned Business Contracting Procedures Program to increase utilization of Minority/Women-Owned Businesses in Construction, Design, Consulting, Purchasing and Lottery contracts.

Period: 1998 - 2004

After the completion of the disparity study, and with a legally defensible document in place, the Oversight Review Committee expressed that the most promising means of implementing the committee's recommendations of race- and gender-neutral measures, without formal action by the Legislature, would be an Executive Order issued by the Governor. This recommendation gave birth to Executive Order 98-21, signed by Gov. Mel Carnahan, which increased the utilization percentages in the following manner:

"2.a. ... the Division of Purchasing and Materials Management shall be authorized to require prime contractors to subcontract with MBEs and WBEs on targeted contracts of \$100,000 or greater. ***Percentage goals shall be set for individual contracts by the DPMM in consultation with the Office of Contract Compliance (OCC) and user agency depending on the availability of MBE and WBE vendors in the applicable commodity/service and geographic area, but the overall goal for all purchases for each fiscal year shall be set at 10% MBE and 5% WBE participation.***

Period: 2004 - 2008

On September 27, 2004, Behavioral Interventions, Inc. filed a lawsuit in the U.S. District Court, in the Western District of Missouri, challenging the propriety of Missouri's M/WBE program. In January 2005, a preliminary injunction was issued ordering the Office of Administration, State of Missouri, to suspend the placing of M/WBE requirements in any procurement by the State of Missouri. As a result of this injunction, a new executive order that would supersede Executive Order 98-21 was created. Gov. Matt Blunt signed Executive Order 05-30, which states: "3.a. Division of Purchasing and Materials Management shall be authorized to encourage prime contractors to subcontract with M/WBEs on all contracts of \$100,000 or greater. OEO contracts shall include a provision for participation which will allow the bidders to tailor a plan to fit the contract. Mandatory percentage goals of M/WBE participation shall not be established in violation of federal or state law. M/WBE participation shall be encouraged by DPMM in consultation with OEO and the user agency depending on the availability of M/WBE vendors in the applicable commodity/service and geographical area. DPMM shall consider M/WBE participation as a significant factor in a contract bid. The M/WBE participation will be evaluated along with other criteria in the award of a bid. ***It is intended that 10% MBE and 5% WBE percentage is desired.***

Period: 2009-June 2011

Commissioner Kelvin Simmons appointed Alan Green as the Director of Office of Equal Opportunity in March 2009. Following that appointment, Gov. Nixon and Commissioner Simmons named Director Green the “Chief Diversity Officer” for the State of Missouri and its 16 executive departments. Director Green managed a staff of six, but the 16 department directors also played integral roles in OEO’s operation. Under Director Green’s leadership, OEO actively built relationships within the state’s governmental structure that enabled the coordination and review of current policies and procedures related to diversity.

Period: 2011-December 2012

In July 2011, Celeste Metcalf became the current Director of OEO. Below are some of the highlights for fiscal year 2012:

1. **Out-of State Missouri Code of State Regulations (CSR)** - The Office of Equal Opportunity was responsible for getting the Code of State Regulations updated to ensure that OEO offers certification only to out-of-state M/WBEs whose state allows certification of Missouri’s M/WBEs.
2. **OEO Website** - Revisions to the website make it easier than ever before to find bid and job opportunities. The “Feedback” section has enabled several vendors to tell us what they are thinking, inform us about issues they are having, and/or point out problems they would like OEO to consider addressing.
3. **OEO Newsletter** - The newsletter has and will continue to search for real world topics applicable to everyday business situations and issues. Answers to questions submitted to the “Feedback” section of OEO’s website are provided in the OEO Newsletter.
4. **Certification Contractors** - Our contractors in Kansas City and St. Louis have been doing an exemplary job assisting OEO with providing the necessary site visit inspections to vendors throughout the entire State of Missouri.
5. **OEO Database of Certified Vendors** - The North American Industry Classification System (NAICS) codes were added to OEO’s vendor database in 2011 to make searching for M/WBEs in a particular industry easier and less cumbersome. However, many MWBE’s choose to add multiple unrelated NAICS codes to their list of service offerings which, instead of making it easier to find a vendor of choice, is having the opposite effect.
6. **Public Private Partnership Initiative** - OEO’s fundraising effort raised more than \$82,000.00 in support of the state’s disparity study. To continue this drive, the Governor recommended a \$1million Disparity Study appropriation in the FY 2014 budget. The General Assembly appropriated \$700,000.00 for the disparity study for FY 2014.

Certification Analysis

Fiscal Year 2012 Certification Analysis

The OEO certifies M/WBE vendors for the State of Missouri. According to OEO rules and regulations, each Missouri applicant must be visited at their business location as part of the M/WBE certification process. The State is divided into the following regions indicated on the map below.

Certified Vendors by Region and Classification				
Regions	MBE	WBE	M/WBE	Totals
1-Northwest	3	29	0	32
2-Northeast	1	11	1	13
3-Kansas City	100	166	46	312
4-Central	25	132	26	183
5-St. Louis	176	393	109	678
6-Southwest	14	67	12	93
7-Southeast	10	41	4	55
8-Out of State	122	117	43	282
Totals	451	956	241	1,648



OEO's definition of a **MINORITY BUSINESS ENTERPRISE (MBE)** is one that is at least 51% owned and controlled by one or more minority individuals.

A racial minority is, for purposes of the State of Missouri's MBE program, defined as an individual who is a citizen or lawfully admitted permanent resident of the United States and who is a member of the one of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American and Asian Indian American and other similar racial minority groups identified in the Missouri Revised Statutes Chapter 33, Section 33.750. Also included are Alaskan Native, Pacific Islander and Aleut.

2011-2012 On-Site Comparison			
Region	2011	2012	% Change
Region 1-Northwest	3	1	-66.67%
Region 2-Northeast	3	1	-66.67%
Region 3-Kansas City	26	40	53.85%
Region 4-Central	30	17	-43.33%
Region 5-St. Louis	73	68	-6.85%
Region 6-Southwest	19	27	42.11%
Region 7-Southeast	8	9	12.50%
Total	162	163	0.62%

A **WOMAN BUSINESS ENTERPRISE (WBE)** is a business that is at least 51% owned and controlled by one or more women.

Certification as an MBE and/or WBE provides greater opportunities for these businesses to bid on state contracts. All certified MBE/WBE vendors appear on the OEO Directory of Certified MBE/WBE Vendors. State agencies, contractors, the public and private sectors have access to this resource in soliciting certified minority and/or woman participation for ongoing projects. The Missouri Department of Transportation (MODOT) is not included as they participate in the Disadvantaged Business Enterprise (DBE) Program.

Summary-Comparisons

The chart below separates vendors by region and then by general categories according to their line of work, i.e., Commodities, Services, Information Technology (IT), Commodity, Service and Design/Construction. These distinctions are beneficial in that they allow us to tailor our outreach communications and efforts to recruit new vendors in select categories as opportunities are presented statewide. (Refer to Region Map located on the previous page).

	Commodities	Services	IT	Commodity Service	Design/ Construction	Region Totals
Region 1	4	13	0	1	10	28
Region 2	1	7	0	1	5	14
Region 3	34	146	9	7	125	321
Region 4	15	84	12	7	63	181
Region 5	71	293	44	44	245	697
Region 6	8	48	0	4	6	66
Region 7	7	30	0	2	19	58
Region 8*	19	111	38	22	71	261
Category Totals	159	732	103	88	544	1,626
* Out of State						

The “Services” and “Design/Construction” categories contain the largest numbers of vendors due to the broad range of services covered and wide variety of specific talents and skills offered.

2011-2012 Certification Comparison			
	2011	2012	% Change
MBE	454	457	0.66%
WBE	975	952	(2.42%)
M/WBE	249	235	(5.95%)
Total Certified	1678	1644	(2.07%)
# New Certifications	253	209	(21.05%)
# Denials/Declines	35	33	(6.06%)

Only slight differences appear between these two-year comparisons which is good, but we still need to strive to do better. It is our goal and responsibility to find new methods and alternatives to assist the minority and women business owners so they may acquire opportunities for their businesses to grow. The economic growth of our State is dependent upon the growth of our small businesses.

OEO’s Directory of Certified Minority and Women Business Enterprises is a terrific way to locate MBE/WBE vendors. The directory allows multiple search methods for one to narrowly tailor a search request to accommodate the specific needs of those wishing to do business with MBE/WBE firms. It also provides contact information and summary details on each individual business.

Factors Affecting Participation Calculations

Each state agency plays a different role in addressing and supporting the needs of the State of Missouri. The different role each agency plays, in performing their duties or providing the services necessary to maintain Missouri's government-funded infrastructure, dictates the nature and type of expenditure that is required in each situation.

The Department of Mental Health, for example, may have multiple, independently run brick-and-mortar facilities throughout the entire state. The necessity to maintain multiple facilities lends itself to securing long-term statewide contracts. The Department of Conservation, on the other hand, may have a limited number of brick-and-mortar facilities throughout the state but instead may rely on local or rural retail outlets to supply grounds maintenance or feed supply products. These types of goods dictate the necessity for short-term, non-contractual relationships. At the same time, the Department of Social Services may spend the bulk of their expenditures in partnership with non-profit agencies; while the Department of Elementary and Secondary Education may employ an abundance of independent contractors and service providers.

The uniqueness of each agency service offering, combined with the dynamics of each agencies' contractual vs. discretionary expenditure needs, will determine what combination of expenditure transactions satisfy each unique situation. In an effort to provide an analysis that neutralizes these agency differences and makes the information more consistent and comparable among agencies, a variety of factors must be taken into consideration. A summary of some of the factors considered in this analysis is explained in detail below.

NOT-FOR-PROFIT BUSINESS

As part of the certification process, one of the first questions OEO asks potential applicants is: "Is your firm a for-profit business?" If the answer to that question is "no" the application process ends immediately because only for-profit businesses qualify for certification consideration. This criterion severely handicaps the ability to improve minority or women participation percentages for agencies that spend the bulk of their expenditures in partnership with not-for-profit entities. None of the expenditures with not-for-profit entities count toward, nor have any expenditure from a not-for-profit entity been included in, the participation percentages outlined for each agency.

USE OF ONLY CERTIFIED M/WBES

One of the main functions of the OEO is to certify a minority or woman owned vendor. As a result of the state's certification process, certified minority vendors become "linked" to the state's accounting system. Once vendors are linked, any payments made to these vendors become "traceable" in our accounting system. Only vendors certified by OEO, whose expenditures are accumulated by the states' accounting system, can be classified as M/WBES for purposes of meeting state participation requirements. State expenditures with minority/women owned entities that are not certified by OEO have not been included in the participation percentages outlined for each agency.

SUBCONTRACTING ALLOCATION

On every contract that contains minority or women participation percentages, there is a requirement for the vendor to self-report to the Division of Purchasing and Materials Management (DPMM) on a monthly basis the amount of payments made to the respective minorities and women participating on each contract. The results of these subcontractor payments can be found at the bottom of the page for each agency.

NET AGENCY EXPENDITURES

For some contractual situations, and in some circumstances, the availability of minority or women vendors may be limited or nonexistent. This could be due to the enormity of the contract, the specialized services required, the region of the state in which the contract work lies or the specific industry involved. For example, a sole source contract in which only one vendor can

NET AGENCY EXPENDITURES (cont.)

provide the requisite goods or services may not necessarily lend itself to minority or women vendor opportunities if there are no minorities or women providing this good or service. As another example, OEO's certification is only available for eligible "for profit" businesses. Therefore, transactions involving not-for-profit entities cannot be counted and those expenditures must be excluded from this analysis.

In an effort to make the expenditure analysis comparable among departments and to recognize the impact these differences may have on this analysis of agency expenditures, certain classes of transactions were identified by accounting code, or some other method, as having limited or no involvement with minority or women vendors.

Transactions where there are limited opportunities to engage minority or women vendors have been identified as "excludable expenditure amounts." Excludable expenditure amounts have been deducted from an agency's "TOTAL" expenditures to yield a "NET" expenditure amount. The net expenditure amount for each agency has been summarized below.

The analysis of minority and women vendor expenditures and the corresponding participation percentages shown on each respective agency summary page are based on this "net" expenditure amount.

AGENCY / DEPT	TOTAL EXPENDITURES	EXCLUDABLE AMOUNTS	NET EXPENDITURES
Office of Administration	\$109,286,458.95	\$12,573,127.95	96,713,331.00
Agriculture	\$4,921,033.81	\$2,213,506.81	\$2,707,527.00
Conservation	\$41,517,264.97	\$0.00	\$1,339,892.31
Corrections	\$215,411,939.93	\$1,059,980.05	\$41,517,264.97
Economic Development	\$33,647,251.62	\$22,468,498.62	\$11,178,753.00
Elem & Sec Education	\$36,678,764.78	\$0.00	\$36,678,764.78
Health & Senior Services	\$17,781,208.13	\$7,957,484.39	\$389,883.95
Higher Education	\$8,870,999.44	\$8,481,115.55	\$9,823,723.74
Insurance & Prof Registration	\$2,532,318.07	\$1,192,425.76	\$220,139,694.64
Labor	\$2,131,261.19	\$278,780.40	\$1,852,480.70
Mental Health	\$40,592,367.00	\$0.00	\$40,592,368.00
Natural Resources	\$26,123,067.36	\$3,611,989.43	\$22,511,086.93
Public Safety	\$107,269,745.48	\$44,730,892.71	\$62,538,852.77
Revenue	\$51,178,360.00	\$4,900,000.00	\$46,278,360.00
Social Services	\$127,288,697.91	\$12,452,574.00	\$114,836,123.91
Transportation	\$221,075,328.54	\$935,633.90	\$214,351,959.88

CONTRACT vs. DISCRETIONARY EXPENDITURES

There are three main categories or types of expenditures agencies may engage in:

- Contractual expenditures
- Discretionary expenditures
- Procurement card (P-card) transactions

CONTRACT vs. DISCRETIONARY EXPENDITURES (cont.)

Contract expenditures are the result of a competitive bidding process in which the total purchase is estimated to exceed \$25 million. There are strict criteria that must be met regarding the solicitation, posting, advertising, manner of response, and the requirement to award a contract to the lowest and best bidder. The DPMM must oversee the bidding process for all service, commodity and IT contracts over \$25,000.

Discretionary expenditures are typically less formal, involve expenditures less than \$25,000, and do not require the oversight of DPMM in the selection of the final vendor, hence the term “discretionary.” The agency can exercise their “discretion” in the selection and hiring of a vendor in these situations.

A P-card transaction is a type of discretionary expenditure. A P-card functions like a credit card and typically involves expenditures less than \$3,000. Because of their ease of use and their mobility, multiple individuals in each agency use P-cards for a variety of purposes.

In analyzing expenditures, it is important to understand an agency’s expenditure pattern. Knowledge of an agency’s expenditure pattern will shed some light on the potential for minority or women vendor opportunities or the lack thereof. Agencies with a higher concentration of contract expenditures suggest that minorities and women must be successful during the bidding process. Regardless of the number of attempts, or the quantity of vendors available, minority and women vendors must first be awarded a contract and receive payments from that contract, to be included and counted in this expenditure analysis.

Agencies with a higher percentage of discretionary spend indicates a significant number of expenditure-related decisions are made at the agency level, outside of the DPMM competitive bidding process. For expenditures in these categories, greater emphasis on direct agency contact is required. Minority and women vendors’ success is determined by the establishment and cultivation of agency relationships.

The table below shows the percentage breakdown between contract and discretionary transactions of “net” expenditures for each agency.

AGENCY / DEPT	NET EXPENDITURES	CONTRACTS	DISCRETIONARY
Office of Administration	96,713,331.00	88.70%	11.30%
Agriculture	\$2,707,527.00	54.05%	45.95%
Conservation	\$1,339,892.31	48.57%	51.43%
Corrections	\$41,517,264.97	88.04%	11.96%
Economic Development	\$11,178,753.00	90.13%	9.87%
Elem & Sec Education	\$36,678,764.78	76.32%	23.68%
Health & Senior Services	\$389,883.95	65.21%	34.79%
Higher Education	\$9,823,723.74	12.86%	87.14%
Insurance & Prof Registration	\$220,139,694.64	22.04%	77.96%
Labor	\$1,852,480.70	79.98%	20.02%
Mental Health	\$40,592,368.00	66.98%	33.02%
Natural Resources	\$22,511,086.93	45.59%	54.41%
Public Safety	\$62,538,852.77	35.25%	64.75%
Revenue	\$46,278,360.00	18.20%	81.80%
Social Services	\$114,836,123.91	86.05%	13.95%
Transportation	\$214,351,959.88	6.12%	93.88%

Fiscal Year 2012 Statewide Procurement Analysis

Executive Order 05-30 states that “all state agencies shall continue to make every feasible effort to target the percentage of goods and services procured from certified MBEs and WBEs to 10% and 5%, respectively.” The table below gives an overview of expenditures incurred by each executive department. Although the legislature, judiciary and executive branch are not subject to this executive order, their M/WBE utilization is shown for illustrative purposes.

	MBE	WBE	NON-M/WBE	NET		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Legislature, Executive and Judiciary	\$7,455,205.92	\$2,064,773.23	\$31,061,314.72	\$40,581,293.87	18.37%	5.09%
EXECUTIVE DEPARTMENTS						
OFFICE of ADMINISTRATION	\$36,012,326.00	2,428,313.00	58,272,692.00	96,713,331.00	37.24%	2.51%
AGRICULTURE	\$196,486.17	\$136,825.00	\$2,374,215.83	\$2,707,527.00	7.26%	5.05%
PROF REGIS & INSURANCE	\$196,137.42	\$58,248.36	\$1,085,506.53	\$1,339,892.31	14.64%	4.35%
CONSERVATION	\$4,671,795.16	\$576,981.85	\$36,268,487.96	\$41,517,264.97	11.25%	1.38%
ECONOMIC DEVELOPMENT	\$1,316,003.87	\$725,675.70	\$9,137,073.43	\$11,178,753.00	11.77%	6.49%
ELEM & SEC EDUCATION	\$240,465.37	\$3,024,119.89	\$33,414,179.52	\$36,678,764.78	0.66%	8.24%
HIGHER EDUCATION	\$13,494.09	\$48,170.46	\$328,219.40	\$389,883.95	3.46%	12.35%
HEALTH & SENIOR SERVICES	\$1,002,600.79	\$121,390.40	\$8,699,732.55	\$9,823,723.74	10.21%	1.24%
TRANSPORTATION	\$9,904,136.40	\$2,118,144.86	\$208,117,413.38	\$220,139,694.64	4.50%	0.96%
LABOR & INDUSTRIAL	\$169,556.56	\$301,902.36	\$1,381,021.78	\$1,852,480.70	9.15%	16.30%
MENTAL HEALTH	\$777,502.00	\$318,309.00	\$39,496,557.00	\$40,592,368.00	1.92%	0.78%
NATURAL RESOURCES	\$1,500,876.86	\$2,405,741.87	\$18,604,468.20	\$22,511,086.93	6.67%	10.69%
PUBLIC SAFETY	\$9,523,598.78	\$1,648,006.66	\$51,367,247.33	\$62,538,852.77	15.23%	2.64%
REVENUE	\$1,541,771.00	\$500,247.00	\$44,236,342.00	\$46,278,360.00	3.33%	1.13%
SOCIAL SERVICES	\$3,385,117.55	\$3,027,430.67	\$108,423,575.69	\$114,836,123.91	2.95%	2.64%
CORRECTIONS	\$4,674,871.39	\$17,956,569.01	\$191,720,519.48	\$214,351,959.88	2.18%	8.38%
TOTALS FOR EXECUTIVE	\$75,126,739.41	\$35,396,076.09	\$812,927,252.08	\$923,450,067.58	9.26%	5.32%
TOTALS STATEWIDE	\$82,581,945.33	\$37,460,849.32	\$843,988,566.80	\$964,031,361.45	8.59%	3.84%
Expenditures include only those goods and services purchased directly from vendors. College and university expenditures are excluded. Leasing expenditures are excluded. Journal vouchers, which do not represent actual checks/disbursements, are also not captured in the analysis of MBE/WBE expenditures.						

The DPMM enters into statewide contracts which, in many instances, are mandatory or preferred and provide the State of Missouri with cost savings. Internal analysis shows that 56.28% of statewide executive branch department expenditures are incurred through DPMM contracts. The same analysis shows that 43.72% of statewide expenditures are discretionary and incurred outside of the DPMM contract process. The table below shows the percentages utilized with M/WBE vendors.

	MBE Expenditures	WBE Expenditures	Non-M/WBE Expenditures	Net Expenditures	Contracts vs. Discretionary
DPMM Contracts	\$71,408,385.81	\$28,527,719.49	\$422,708,576.79	\$522,644,682.09	56.28%
Agency Discretionary Purchases	\$3,999,547.74	\$6,932,099.69	\$389,873,725.99	\$400,805,373.42	43.72%
Total Expenditures	\$75,407,933.55	\$35,459,819.18	\$812,582,302.78	\$923,450,055.51	

The Division of Facilities Management Design and Construction (FMDC), within the Office of Administration, is responsible for vertical construction on select state construction projects within the State of Missouri. General Contractors involved in construction projects during FY 2012 received payments totaling \$85,006,061.00. FMDC also utilizes consultants on a variety of construction projects, to the tune of \$4,801,900.00. During FY 2012, the participation of M/WBEs in both areas is reflected by the following payments:

M/WBE UTILIZATION ON CONSTRUCTION PROJECTS		
PAYMENTS MADE TO:		
MBE GENERAL CONTRACTORS	\$4,737,516.00	5.57%
WBE GENERAL CONTRACTORS	\$645,870.00	0.76%
NON M/WBE CONTRACTORS	\$79,622,675.00	93.67%
MBE SUBCONTRACTORS	\$6,953,281.00	8.18%
WBE SUBCONTRACTORS	\$5,160,222.00	6.07%
TOTAL PAYMENTS	\$85,006,061.00	

M/WBE UTILIZATION ON CONSULTANT PROJECTS		
PAYMENTS MADE TO:		
MBE CONSULTANTS	\$0.00	0.00%
WBE CONSULTANTS	\$0.00	0.00%
NON M/WBE CONSULTANT	\$4,801,900.00	100.00%
MBE SUBCONTRACTORS	\$103,952.00	2.16%
WBE SUBCONTRACTORS	\$94,044.00	1.96%
TOTAL PAYMENTS	\$4,801,900.00	

Office of Administration

Acting Commissioner: Douglas E. Nelson

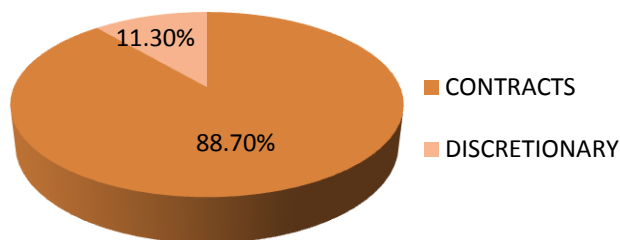
The OA is the state's service and administrative control agency. Created by the General Assembly on January 15, 1973, OA oversees and coordinates the central management functions of state government. OA's responsibilities were clarified and amended by the Omnibus State Reorganization Act of 1974. The Commissioner of Administration appoints the Deputy Commissioner, Assistant Commissioner and the Directors of the following divisions:

- **Accounting**
- **Budget & Planning**
- **Facilities Management, Design & Construction**
- **General Services**
- **Information Technology Services**
- **Personnel**
- **Purchasing and Materials Management**

OA utilizes a decentralized purchasing system. During FY 2012, OA incurred the following expenditures:

	MBE	WBE	NON-M/WBE	NET		
	EXPENDITURES	EXPENDITURES	EXPENDITURES	EXPENDITURES	MBE %	WBE %
Commissioner's Office*	\$28,065	\$4,291.00	\$37,119.00	\$69,475.00	40.40%	6.18%
Accounting	\$0.00	\$2,817.00	\$30,670.00	\$33,487.00	0.00%	8.41%
Budget and Planning	\$260.00	\$1,038.00	\$22,538.00	\$23,836.00	1.09%	4.36%
Information Technology Services	\$34,569,082.00	\$1,756,397.00	\$38,266,001.00	\$74,591,480.00	46.34%	2.35%
Facilities Management, Design & Construction	\$865,046	\$120,355.00	\$16,996,337.00	\$17,981,778.00	4.81%	0.67%
General Services	\$286,384.00	\$493,655.00	\$2,465,653.00	\$3,245,692.00	8.82%	15.21%
Personnel	\$2,398.00	\$789.00	\$10,284.00	\$13,471.00	17.80%	5.86%
Purchasing and Materials Management	\$225,811.00	\$15,185.00	\$385,548.00	\$626,544.00	36.04%	2.42%
Division Expenditures	\$35,977,046.00	\$2,394,527.00	\$58,214,190.00	\$96,585,763.00	37.25%	2.48%
Boards and Commissions	\$35,280.00	\$33,786.00	\$58,502.00	\$127,568.00	27.66%	26.48%
DEPARTMENT TOTALS	\$36,012,326.00	\$2,428,313.00	\$58,272,692.00	\$96,713,331.00	37.24%	2.51%

*Includes expenditures for the Office of Equal Opportunity and MLK Commission.



In the tables above and below, Net Expenditures represents OA's Total Agency Expenditures of **\$109,286,458.95** minus excludable expenditures of **\$12,573,127.95** for FY 2012.

Represented in the pie chart diagram is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

DIVISION	CONTRACTS	PERCENTAGE	DISCRETIONARY	PERCENTAGE	TOTALS
Commissioner's Office	\$0.00	0.00%	\$69,475.00	100.00%	\$69,475.00
Accounting	\$14,869.16	44.40%	\$18,617.84	55.60%	\$33,487.00
Budget and Planning	\$1,475.82	6.19%	\$22,360.54	93.81%	\$23,836.36
Information Technology Services	\$73,466,528.30	98.49%	\$1,124,951.70	1.51%	\$74,591,480.00
Facilities Management, Design & Construction	\$9,267,252.65	51.54%	\$8,714,525.35	48.46%	\$17,981,778.00
General Services	\$2,571,295.75	79.22%	\$674,396.25	20.78%	\$3,245,692.00
Personnel	\$1,501.09	11.14%	\$11,969.91	88.86%	\$13,471.00
Purchasing and Materials Management	\$432,830.48	69.08%	\$193,713.52	30.92%	\$626,544.00
Boards and Commissions	\$30,365.01	23.80%	\$97,202.99	76.20%	\$127,568.00
TOTAL OPERATING	\$85,786,118.23		\$10,927,212.77		\$96,713,331.00

For contracts set up through OA DPMM that contain M/WBE participation requirements, OA accumulated subcontracting allocations of **\$2,144,096.16** with MBE subcontractors and **\$481,287.68** with WBE subcontractors for a cumulative expenditure total of **\$2,625,383.84** since the inception of these contracts.

Department of Agriculture

Director: Jon Hagler

The Department of Agriculture (MDA) administers programs that protect Missouri's producers, processors, distributors and consumers of food, fuel and fiber, while marketing Missouri agricultural products in the state, nation and abroad. The department's divisions include:

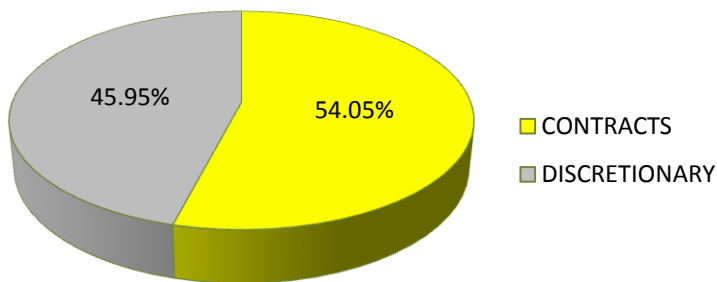
- Office of the Director
 - Agriculture Business Development
 - Animal Health
 - Grain Inspection and Warehousing
- Plant Industries
 - Weights and Measures
 - Missouri State Fair
 - State Milk Board

MDA uses a decentralized purchasing system, incurring the following expenditures during Fiscal Year 2012:

	MBE EXPENDITURES	WBE EXPENDITURES	Non-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Total Expenditures	\$196,486.17	\$136,825.00	\$2,374,215.83	\$2,707,527.00	7.26%	5.05%

In the tables above and below, Net Expenditures represents MDA's Total Agency Expenditures of \$4,921,033.81 minus excludable expenditures of **\$2,213,506.81** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$178,114.55	\$30,773.65	\$1,254,632.20	\$18,371.62	\$106,051.35	\$1,119,583.64
\$1,463,520.40			\$1,244,006.61		
54.05%			45.95%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for MDA are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	Non-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2748 Vehicles	\$86,042.00	\$0.00	\$412,392.75	\$498,434.75	17.26%	0.00%
2466 Advertising Services	\$350.50	\$0.00	\$333,546.22	\$333,896.72	0.10%	0.00%
2280 Laboratory Supplies	\$0.00	\$311.58	\$721,477.96	\$721,789.54	0.00%	0.04%
2328 Motor Fuel	\$0.00	\$0.00	\$712,531.00	\$712,531.00	0.00%	0.00%
2544 Other Profess. Services	\$10,595.00	\$3,085.64	\$354,317.53	\$367,998.17	2.87%	0.83%

For contracts set up through OA DPMM that contain M/WBE participation requirements, MDA accumulated subcontracting allocations of **\$57,574.08** with MBE subcontractors and **\$2,441.85** with WBE subcontractors for a cumulative expenditure total of **\$60,015.93** since the inception of these contracts.

Department of Conservation

Director: Robert Ziehmer

The mission of the Missouri Department of Conservation (MDC), under the guidance of the Missouri Conservation Commission, is to protect and manage the fish, forest and wildlife resources of the state, to serve the public and facilitate participation in resource management activities, and to provide opportunity for all citizens to use, enjoy and learn about fish, forest and wildlife resources. MDC houses the following divisions or groups:

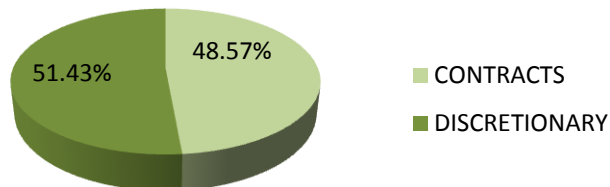
- **Administration Services**
 - **Design and Development**
 - **Fisheries**
 - **Forestry**
 - **Human Resources**
- **Outreach and Education**
 - **Private Land Services**
 - **Protection**
 - **Resource Science**
 - **Wildlife**

During FY2012 the following expenditures were incurred by MDC:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Department of Conservation	\$4,671,795.16	\$576,981.85	\$36,268,487.96	\$41,517,264.97	11.25%	1.38%

In order to carry out their mission the department uses a decentralized purchasing system throughout their 10 divisions. In the tables above and below, there were no excludable amounts deducted from MDC's Total Agency Expenditures of **\$41,517,264.97** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$4,552,079.42	\$351,319.59	\$15,261,518.16	\$119,715.74	\$225,662.26	\$21,006,969.80
\$20,164,917.17			\$21,352,347.80		
	48.57%			51.43%	



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for MDC are shown in the table below along with the level of M/WBE participation achieved:

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	Non-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2218 Motor Fuel	\$0.00	\$0.00	\$5,614,658.87	\$5,614,658.87	0.00%	0.00%
2352 Agricult/Grounds Supplies	\$0.00	\$0.00	\$2,614,973.73	\$2,614,973.73	0.00%	0.00%
2748 Vehicles	\$170,776.00	\$0.00	\$2,115,689.70	\$3,842,772.32	4.44%	0.00%
2541 Info Tech Outsourcing	\$636,536.12	\$5,979.13	\$2,487,798.00	\$2,557,584.42	24.89%	0.23%
2496 Other Business Services	\$0.00	\$20,485.11	\$0.00	\$2,368,380.85	0.00%	.86%

For contracts set up through OA DPMM that contain M/WBE participation requirements, MDC accumulated subcontracting allocations of **\$110,062.64** with MBE subcontractors and **\$96,335.14** with WBE subcontractors for a cumulative expenditure total of **\$206,397.78** since the inception of these contracts.

Department of Corrections

Director: George A. Lombardi

The Department of Corrections (DOC) oversees the State's inmate population. Organized as a separate department of state government by an act of the legislature in 1981 and reorganized July 1, 1993, it is comprised of four divisions:

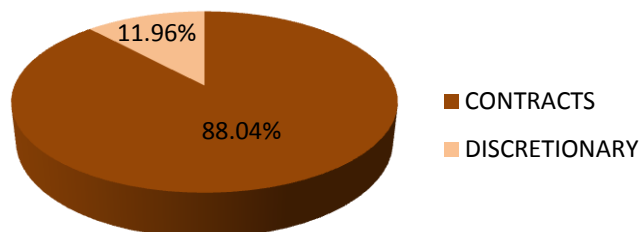
- Office of the Director
- Division of Human Services
- Division of Adult Institutions
- Division of Offender Rehabilitative Services
- Division of Probation and Parole

DOC has a hybrid of centralized and decentralized purchasing systems within their department. An analysis of the department's expenditures reveals the following expenses incurred during FY 2012:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Department of Corrections	\$4,674,871.39	\$17,956,569.01	\$191,720,519.48	\$214,351,959.88	2.18%	8.38%

In the tables above and below, Net Expenditures represents DOC's Total Agency Expenditures of **\$215,411,939.93** minus excludable expenditures of **\$1,059,980.05** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$4,649,277.49	\$17,742,053.92	\$166,318,705.59	\$25,593.90	\$214,515.09	\$25,401,813.90
\$188,710,037.00			\$25,641,922.89		
88.04%			11.96%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DOC are shown in the table below along with the level of M/WBE participation achieved:

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	Non-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2433 Medical and Dental Services	\$0.00	\$0.00	\$142,244,657.33	\$142,244,657.33	0.00%	0.00%
2337 Food & Dietary Supplies	\$0.00	\$0.00	\$27,178,016.53	\$27,178,016.53	0.00%	0.00%
2544 Other Professional Services	\$54,170.50	\$1261.59	\$12,655,449.40	\$12,710,881.49	0.42%	0.00%
2298 Manufacturing Supplies	\$55,489.42	\$29,238.16	\$11,301,533.86	\$11,386,261.44	0.48%	0.25%
3406 Aid to Local Governments	\$0.00	\$0.00	\$38,060,613.97	\$38,060,613.97	0.00%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DOC accumulated subcontracting allocations of **\$1,128,931.58** with MBE subcontractors and **\$43,262,106.10** with WBE subcontractors, for a cumulative expenditure total of **\$44,391,037.68** since the inception of these contracts.

Department of Economic Development

Acting Director: Chris Pieper

The Department of Economic Development (DED) administers a wide array of programs designed to enhance Missouri's economy in the 21st Century. It is comprised of agencies that execute statutory requirements and department policy in the areas of community, economic and workforce development. DED houses the following divisions and groups:

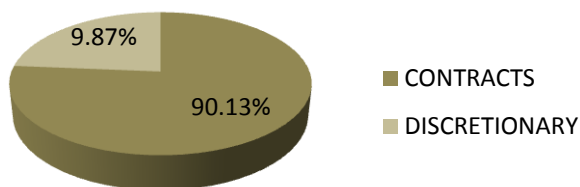
- **Administrative Services**
- **Business and Community Services**
- **Tourism**
- **Public Counsel**
- **Public Service Commission**
- **Missouri Housing Development Commission**
- **Missouri Arts Council**
- **Division of Workforce Development**

Each division at DED has its own financial and procurement staff, with the exception of Business and Community Services. The table below indicates the analysis of M/WBE utilization at the department level.

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES		
					MBE %	WBE %
Economic Development	\$1,316,003.87	\$725,675.70	\$9,137,073.43	\$11,178,753.00	11.77%	6.49%

In the tables above and below, Net Expenditures represents DED's Total Agency Expenditures of **\$33,647,251.62** minus excludable expenditures of **\$22,468,498.62** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$1,289,050.19	\$672,704.08	\$8,113,940.20	\$26,953.68	\$52,971.62	\$1,023,133.23
\$10,075,694.47			\$1,103,058.53		
	90.13%			9.87%	



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DED are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES		
					MBE %	WBE %
2544 Other Professional Services	\$358,818.00	\$7,640.00	\$23,146,613.68	\$23,513,071.68	1.52%	0.03%
2466 Advertising Services	\$2,345.64	\$148,526.41	\$6,361,107.03	\$6,511,979.08	0.03%	2.28%
3412 Program Reimbursements	\$0.00	\$0.00	\$681,890.89	\$681,890.89	0.00%	0.00%
2496 Other Business Services	\$0.00	\$60.00	\$468,730.37	\$468,790.37	0.00%	0.01%
2583 Comp Software	\$54,076.00	\$0.00	\$368,934.00	\$423,010.39	12.78%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DED accumulated subcontracting allocations of **\$354,360.18**, with MBE subcontractors, and **\$240,670.80**, with WBE subcontractors, for a cumulative expenditure total of **\$595,030.98** since the inception of these contracts.

Department of Elementary and Secondary Education

Commissioner: Chris L. Nicastro

The Department of Elementary and Secondary Education (DESE) is the administrative arm of the State Board of Education. It is primarily a service that works with educators, legislators, government agencies, community leaders and citizens to maintain a strong public education system. Through its statewide school-improvement activities and regulatory functions, the Department strives to assure that all citizens have access to high-quality public education. DESE utilizes a hybrid of centralized and decentralized purchasing systems. The Department's responsibilities range from early childhood to adult education services. DESE carries out the above mentioned responsibilities under two divisions, Financial and Administrative Services and Learning Services. The Division of Learning Services includes the following offices:

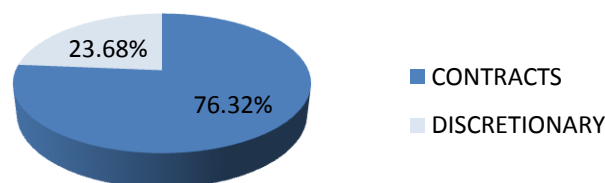
- College and Career Readiness
- Data System Management
- Quality Schools
- Special Education
- Educator Quality
- Adult Learning and Rehabilitative Services

The table below shows the expenditures incurred by DESE during Fiscal Year 2012:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
DESE	\$240,465.37	\$3,024,119.89	\$33,414,179.52	\$36,678,764.16	0.66%	8.24%

In the tables above and below, there were no excludable amounts deducted from DESE's Total Agency Expenditures of **\$36,678,764.78** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$221,224.07	\$2,213,104.57	\$25,557,500.00	\$19,241.30	\$811,015.32	\$7,856,678.90
\$27,991,828.64			\$8,686,935.52		
76.32%			23.68%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

DESE's top five expenditures are indicated in the table below.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2514 Program Consultant Services	\$0.00	\$39,576.14	\$785,349.00	\$785,349.00	0.06%	0.00%
2250 Office Supplies	\$252.25	\$39,576.14	\$464,663.25	504,239.39	0.00%	7.84%
2520 Educational Services	\$6,384.00	\$618,167.93	\$12,005,365	\$14,579,282.22	0.04%	17.65%
2544 Other Professional Services	\$0.00	\$926.50	\$13,120,825.98	\$13,121,752.48	0.00%	0.27%
2991 Agency Provided Food	\$300.00	\$0.00	\$191,648.59	\$617,631.95	0.55%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DESE accumulated subcontracting allocations of **\$381,883.27** with MBE subcontractors and **\$446,137.41** with WBE subcontractors for a cumulative expenditure total of **\$828,020.68** since the inception of these contracts.

Department of Health and Senior Services

Director: Margaret Donnelly

The Department of Health and Senior Services (DHSS) serves the citizens of Missouri by working to improve the health and quality of life for Missourians of all ages. DHSS carries out the above mentioned duties through the following divisions:

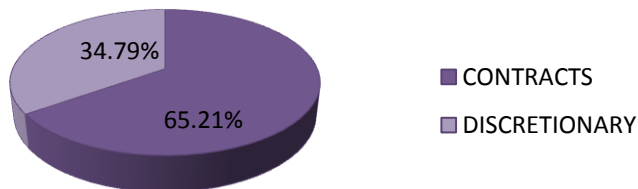
- Office of the Director
- Division of Administration
- Division of Community and Public Health
- Division of Regulation and Licensure
- Division of Senior and Disability Services
- Center for Emergency Response and Terrorism
- State Public Health Laboratory
- Office of Minority Health
- Missouri Health Facilities Review Committee (MHFRC)

DHSS utilizes a centralized purchasing system. The following table shows the expenditures that DHSS incurred during FY2012.

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Health and Senior Services	\$1,002,600.79	\$121,390.40	\$8,699,732.55	\$9,823,723.74	10.21%	1.24%

In the tables above and below, Net Expenditures represents DHSS'S Total Agency Expenditures of **\$17,781,208.13** minus excludable expenditures of **\$7,957,484.39** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$991,680.57	\$81,840.42	\$5,332,467.44	\$10,920.22	\$39,549.98	\$3,367,265.12
\$6,405,988.43			\$3,417,735.32		
65.21%			34.79%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DHSS are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2457 Express & Freight Services	\$523,371.67	\$0.00	\$595,931.00	\$1,119,302.67	47.00%	0.00%
2451 Other Health Services	\$7,800.00	\$0.00	\$1,019,274.68	\$1,027,074.68	0.76%	0.00%
2250 Office Supplies	\$0.00	\$0.00	\$826,003.43	\$826,003.43	0.00%	0.00%
2283 Medical & Dental Supplies	\$104,540.38	\$25,766.17	\$582,289.11	\$712,595.66	14.67%	3.62%
2337 Food & Dietary Supplies	\$217.32	\$313.98	\$627,248.19	\$627,779.49	0.03%	0.05%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DHSS accumulated subcontracting allocations of **\$20,150.68** with MBE subcontractors and **\$46,559.27** with WBE subcontractors, for a cumulative expenditure total of **\$66,709.95** since the inception of these contracts.

Department of Higher Education

Commissioner: Dr. David R. Russell

The Missouri Department of Higher Education (MDHE) serves as the administrative arm of the Coordinating Board for Higher Education (CBHE). The CBHE appoints the commissioner of Higher Education to head the MDHE and carry out administrative responsibilities to achieve the CBHE's desired goals for the state system of higher education. This higher education system serves more than 387,000 students through 13 public four-year universities, 20 public two-year colleges, one public two-year technical college, 25 independent colleges and universities, and 159 proprietary and private career schools. The agency's primary responsibilities include:

- Identification of statewide planning for higher education
- Evaluation of students and institutional performance
- Review of institutional missions
- Development of specialization among institutions
- Administration of a statewide postsecondary technical education program
- Establishment of guidelines to promote student transfer among institutions
- Approval of new degree programs offered by public colleges and universities
- Administration of the Proprietary School Certification Program
- Policy setting for an administration of student financial assistance programs
- Increase awareness among Missourians regarding opportunities for postsecondary education and student financial assistance in the state

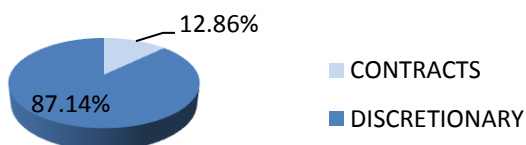
MDHE carries out its mission through six different divisions which include:

- **Academic Affairs**
- **Contracts and Compliance**
- **Financial Assistance and Operations**
- **Missouri Student Loan Group**
- **Information Technology**
- **Fiscal Affairs and Operations**

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Higher Education	\$13,494.09	\$48,170.46	\$328,219.40	\$389,883.89	3.46%	12.35%

In the tables above and below, Net Expenditures represents MDHE's Total Agency Expenditures of **\$8,870,999.44** minus excludable expenditures of **\$8,481,115.55** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$269.89	\$1,400.00	\$48,469.59	\$13,224.20	\$46,770.14	\$279,750.07
\$50,139.48			\$339,744.41		
12.86%			87.14%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for MDHE are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2544 Other Professional Services	\$0.00	\$0.00	\$2,083,575.53	\$2,083,575.53	0.00%	0.00%
2475 Collection Services	\$0.00	\$0.00	\$6,192,057.06	\$6,192,057.06	0.00%	0.00%
2301 Promotional Supplies	\$12,984.20	\$35,357.25	\$86,120.00	\$134,461.45	9.65%	26.29%
2541 Info Technology Consulting	\$0.00	\$0.00	\$198,092.16	\$198,092.16	0.00%	0.00%
2460 Printing & Binding Services	\$0.00	\$2,591.37	\$106,750.36	\$106,750.36	0.00%	2.42%

For contracts set up through OA DPMM that contain M/WBE participation requirements, MDHE accumulated subcontracting allocations of **\$823,588.74** with MBE subcontractors, and **\$1,884,371.81** with WBE subcontractors, for a cumulative expenditure total of **\$2,707,960.55** since the inception of these contracts.

Department of Insurance, Financial Institutions and Professional Registration

Director: John M. Huff

The Department of Insurance, Financial Institutions and Professional Registration (DIFP) regulates consumer service industries in Missouri by encouraging a fair and open market, establishing coherent and evolving policies that balance the interest of consumers, professionals and industry, and enforcing state laws and regulations governing businesses to protect consumers from unfair and inequitable treatment. The department is funded through fees and assessments from the industries and professionals regulated by the department rather than state general revenue. DIFP is comprised of the following divisions:

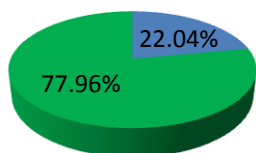
- **Division of Insurance Consumer Affairs**
- **Division of Insurance Company Regulation**
- **Division of Insurance Market Regulation**
- **Division of Administration**
- **Division of Finance**
- **Division of Credit Unions**
- **Division of Professional Registration**

DIFP has a decentralized purchasing system. An analysis of the department's expenditures reveals the following non-exempt expenses incurred during FY 2012:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-MWBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
DIFP	\$196,137.42	\$58,248.36	\$1,085,506.53	\$1,339,892.31	14.64%	4.35%

In the tables above and below, Net Expenditures represents DIFP's Total Agency Expenditures of **\$2,532,318.07** minus excludable expenditures of **\$1,192,425.76** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$191,481.51	\$745.99	\$103,145.65	\$4,655.91	\$57,502.37	\$982,360.88
\$295,373.15			\$1,044,519.16		
22.04%			77.96%		



- CONTRACTS
- DISCRETIONARY

Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DIFP are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2250 Office Supplies	\$0.00	\$ 10,361.60	\$159,876.84	\$170,238.44	0.00%	6.08%
2502 Attorney Services	\$0.00	\$0.00	\$1,001,294.95	\$1,001,294.95	0.00%	0.00%
2505 Professional Court Services	\$0.00	\$34,377.60	\$92,909.02	\$127,286.62	0.00%	27.00%
2544 Other Professional Services	\$0.00	\$0.00	\$422,384.50	\$422,384.50	0.00%	0.00%
2748 Vehicles	\$109,104.28	\$0.00	\$18,769.00	\$127,873.28	85.32%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, we are unaware of any expenditure made with MBE or WBE subcontractors by DIFP.

Department of Labor and Industrial Relations

Director: Lawrence G. Rebman

The Missouri DOLIR promotes economic security and a safe and healthy workplace. The DOLIR protects wage earners and individuals against discrimination by improving working conditions, enforcing labor and anti-discrimination laws and helping those unemployed or injured on the job.

The department is responsible for administering programs that:

- Provide an income contribution for workers to offset the loss of a job because of injury
- Provide an income contribution for workers to offset the loss of a job because of layoff
- Determine the appropriate bargaining unit for public employees
- Regulate wages for public works and construction projects
- Promote safe working environments
- Enforce Missouri's anti-discriminatory statutes and protect Missouri citizens in the areas of housing, employment and public accommodation
- Investigate allegations of workers' compensation fraud and noncompliance

Entities operating within the department are:

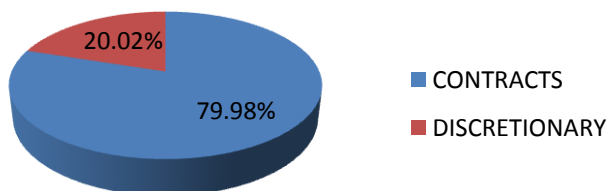
- **Labor and Industrial Relations Commission**
- **Division of Labor Standards**
- **Division of Workers' Compensation**
- **Division of Employment Security**
- **The Missouri Commission on Human Rights**
- **Director and Staff Administration**

DOLIR utilizes a centralized purchasing system and the table below shows DOLIR's expenditures for FY 2012.

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Labor and Industrial Relations	\$169,556.56	\$301,902.36	\$1,381,021.78	\$1,852,480.79	9.15%	16.30%

In the tables above and below, Net Expenditures represents DOLIR's Total Agency Expenditures of **\$2,131,261.19** minus excludable expenditures of **\$278,780.40** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$80,887.46	\$254,815.07	\$1,145,857.90	\$88,641.46	\$47,087.29	\$235,191.61
\$1,481,560.43			\$370,920.36		
79.98%			20.02%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DOLIR are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON M/WBE EXPENDITURE	NET EXPENDITURES	MBE %	WBE %
2250 Office Supplies	\$112,803.71	\$21,138.75	\$342,397.43	\$476,339.89	23.68%	4.44%
2544 Other Professional Services	\$2,700.00	\$245,012.63	\$156,400.00	\$404,112.66	0.67%	60.63%
2496 Other Business Services	\$0.00	\$0.00	\$201,297.22	\$201,297.22	0.00%	0.00%
2466 Advertising Services	\$0.00	\$0.00	\$205,924.33	\$205,924.33	0.00%	0.00%
2514 Program Consultant Services	\$0.00	\$0.00	\$114,100.00	\$114,100.00	0.00%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DOLIR accumulated subcontracting allocations of **\$2,378.48** with MBE subcontractors, and **\$865,800.42** with WBE subcontractors, for a cumulative expenditure total of **\$868,178.90** since the inception of these contracts.

Department of Mental Health

Director: Keith Schaefer

The Missouri Department of Mental Health (DMH) is comprised of the following divisions:

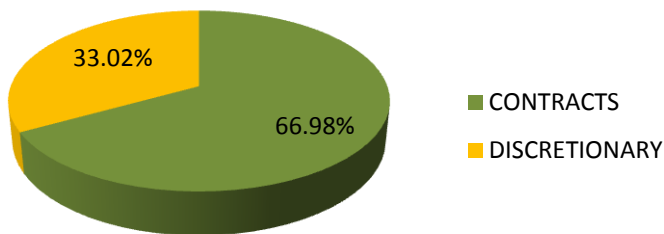
- Comprehensive Psychiatric Services
- Developmental Disabilities
- Alcohol and Drug Abuse
- Administrative Services

The procurement system utilized by the agency is decentralized; each division presents their bids to the public or to prospective vendors in different ways. During FY 2012 DMH incurred the following expenses:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Department of Mental Health	\$777,502.00	\$318,309.00	\$39,496,557.00	\$40,592,367.00	1.92%	0.78%

In the tables above and below, Net Expenditures represents DMH's Total Agency Expenditures of **\$40,592,367.00** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$698,397.00	\$69,784.00	\$26,422,297.00	\$79,105.00	\$248,524.00	\$13,074,259.00
\$27,190,478.00			\$13,401,888.00		
66.98%			33.02%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditure areas for DMH indicate there was little or no M/WBE participation in these areas.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2289 Pharmaceutical Drugs	\$0.00	\$0.00	\$9,145,252.02	\$9,145,252.02	0.00%	0.00%
2433 Medical and Dental	\$0.00	\$0.00	\$5,585,598.50	\$5,585,598.50	0.00%	0.00%
2544 Other Professional Services	\$3,764.65	\$19,934.00	\$5,011,164.56	\$5,034,863.21	0.07%	0.39%
2337 Food and Dietary Supplies	\$0.00	\$0.00	\$4,021,682.88	\$4,021,682.88	0.00%	0.00%
2469 Temp Personnel Services	\$0.00	\$1,006.49	\$2,714,653.16	\$2,715,659.65	0.00%	0.03%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DMH accumulated subcontracting allocations of **\$14,270.96** with MBE subcontractors and **\$0.00** with WBE subcontractors for a cumulative expenditure total of **\$14,270.96** since the inception of these contracts.

Department of Natural Resources

Director: Sara Parker Pauley

Created in 1974, the mission of the Department of Natural Resources (DNR) is to preserve, protect and enhance Missouri's natural, cultural and energy resources. The department ensures that Missourians enjoy clean air to breathe, clean water for drinking and recreation, land that sustains a diversity of life and sustainable energy choices. The agency accomplishes this mission through the following divisions, groups or programs:

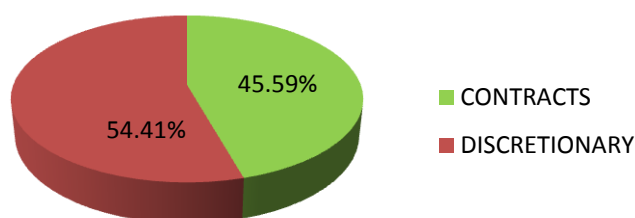
- Division of Environmental Quality
- Division of Geology and Land Survey
- Division of State Parks
- Field Services Division
- Division of Administrative Support
- Missouri Energy Center
- Office of the Director
- Water Resources
- Soil and Water Waste Conservation Program
- Air Pollution Control Program
- Land Reclamation Program
- Environmental Improvement and Energy Resources Authority (EIERA)

During FY 2012, DNR incurred the following expenditures for FY 2012.

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Natural Resources	\$1,500,876.86	\$2,405,741.87	\$18,604,468.20	\$22,511,077.93	6.67%	10.69%

In the tables above and below, Net Expenditures represents DNR's Total Agency Expenditures of **\$26,123,067.36** minus excludable expenditures of **\$3,611,989.43** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$1,418,108.68	\$601,253.15	\$8,242,561.71	\$82,759.18	\$1,804,488.72	\$10,361,906.50
\$10,261,923.54			\$12,249,154.40		
45.59%			54.41%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DNR are shown in the table below along with the level of M/WBE participation achieved

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2544 Other Professional Services	\$76,997.97	\$1,770,196.58	\$13,367,877.95	\$15,215,072.50	1.43%	12.88%
2748 Vehicles	\$331,970.00	\$0.00	\$699,508.50	\$1,031,478.95	32.18%	0.00%
2328 Motor Fuel	\$0.00	\$0.00	\$1,481,561.52	\$1,481,561.52	0.00%	0.00%
2304 Resale Merchandise	\$0.00	\$1,980.77	\$607,639.32	\$609,620.09	0.00%	0.32%
2805 Other Specific Use Equip	\$0.00	\$1,118.61	\$514,768.19	\$515,886.80	0.00%	0.21%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DNR obtained subcontracting allocations of **\$3,276,439.68** with MBE subcontractors and **\$6,706,902.98** with WBE subcontractors for a cumulative expenditure total of **\$9,983,342.66** since the inception of these contracts.

Department of Public Safety

Director: Jerry Lee

DPS coordinates statewide law enforcement, criminal justice and public safety efforts to ensure a safe environment for Missourians. The department's mission is to provide a safe and secure environment for all individuals through efficient and effective law enforcement, national defense, disaster preparedness, service to veterans and education. The Department of Public Safety (DPS) is comprised of the following nine divisions:

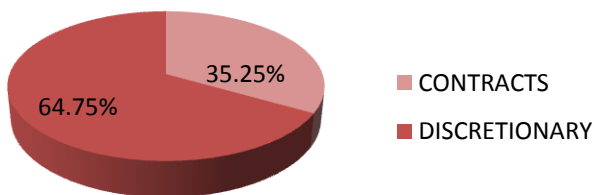
- Office of the Director
- Alcohol & Tobacco
- Capitol Police
- Fire Safety
- Gaming Commission
- Highway Safety
- SEMA
- Veteran's Commission

DPS utilizes a decentralized purchasing system. During FY 2012, DPS incurred the following expenditures:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
DEPARTMENT TOTALS	\$9,523,598.78	\$1,648,006.66	\$51,367,247.33	\$62,538,852.77	15.23%	2.64%

In the tables above and below, Net Expenditures represents DPS's Total Agency Expenditures of **\$107,269,745.48** minus excludable expenditures of **\$44,730,892.71** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$9,322,712.76	\$1,024,510.52	\$11,696,335.61	\$200,886.02	\$623,496.14	\$39,670,911.73
\$22,043,558.89			\$40,495,293.89		
35.25%			64.75%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DPS are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-MBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2544 Other Professional Services	\$36,447.78	\$19,934.00	\$7,393,055.93	\$7,499,437.31	0.48%	0.26%
2433 Medical & Dental Supplies	\$0.00	\$0.00	\$5,585,598.50	\$5,585,598.50	0.00%	0.00%
2289 Pharmaceutical Drugs	\$0.00	\$0.00	\$426,553.52	\$9,145,252.02	0.00%	0.00%
2337 Food & Dietary Supplies	\$0.00	\$0.00	\$4,521,095.88	\$4,521,095.88	0.00%	0.00%
2469 Temp. Personnel Services	\$0.00	\$1,006.49	\$2,714,653.16	\$2,715,659.65	0.00%	0.03%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DPS accumulated subcontracting allocations of **\$2,492,689.70** with MBE subcontractors and **\$2,426,753.44** with WBE subcontractors for cumulative expenditure total of **\$4,919,443.14** since the inception of these contracts.

Department of Revenue

Director: Alana M. Barragan-Scott

State Tax Commission Chairman: Bruce E. Davis

State Lottery Commission Director: May Scheve Reardon

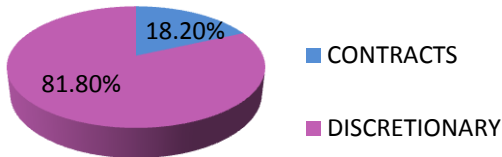
The Missouri Department of Revenue (DOR) serves as the central collection agency for all state revenue. The primary duties of the department are to collect and distribute taxes, administer tax credit programs, title and register motor vehicles and boats, issue driver licenses and register and regulate motor vehicle and marine dealers. DOR carries out these duties through the following divisions:

- **Motor Vehicle and Driver License**
- **Taxation Division**
- **Director's Office**
- **Administration Division**

DOR utilizes a centralized purchasing system. The figures in the table below separate the expenditures that Revenue, State Tax Commission (STC) and Missouri Lottery Commission¹ reached during FY 2012. Net Expenditures represents DOR's Total Agency Expenditures of **\$51,178,360.00** minus excludable expenditures of **\$4,900,000.00** for FY 2012.

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
REVENUE	\$424,635.00	\$275,608.00	\$7,344,185.00	\$8,044,428.00	5.28%	3.75%
STATE TAX	\$0.00	\$5,394.00	\$65,622.00	\$71,016.00	0.00%	8.22%
STATE LOTTERY	\$1,117,136.00	\$219,245.00	\$36,826,535.00	\$38,162,916.00	2.93%	0.60%
DEPARTMENT TOTALS	\$1,541,771.00	\$500,247.00	\$44,236,342.00	\$46,278,360.00	3.33%	1.13%

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$1,014,745.00	\$248,707.00	\$7,157,686.00	\$527,026.00	\$251,540.00	\$37,078,656.00
\$8,421,138.00			\$37,857,222.00		
18.20%			81.80%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for Core DOR are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	CORE DOR	LOTTERY &	MBE EXPEND	WBE EXPEND	NON -M/WBE EXPEND	NET EXPEND.	MBE %	WBE %
	EXPEND. (1)	STC EXPEND.						
2460 Printing & Binding Services	\$1,072,269.00	\$6,747,511.00	\$0.00	\$0.00	\$7,814,779.87	\$7,814,779.87	0.00%	0.00%
2466 Advertising Services	\$3,320.00	\$7,233,084.00	\$0.00	\$0.00	\$7,236,403.95	\$7,236,403.95	0.00%	0.00%
2496 Other Business Services	\$250.00	\$12,083,984.00	\$0.00	\$0.00	\$12,084,234.23	\$12,084,234.23	0.00%	0.00%
2475 Collection Services ²	\$4,889,603.00	\$1,363.00	\$0.00	\$0.00	\$4,890,966.20	\$4,890,966.20	0.00%	0.00%
2937 Other Equipment Rentals	\$0.00	\$3,135,501.12	\$0.00	\$0.00	\$3,135,501.12	\$3,135,501.12	0.00%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DOR accumulated subcontracting allocations of **\$896,942.54** with MBE subcontractors, and **\$652,228.96** with WBE subcontractors, for a cumulative expenditure total of **\$1,549,171.50** since the inception of these contracts.

¹⁾ Core DOR excludes the State Lottery and State Tax Commissions. DOR has no authority over those agencies.

²⁾ Collection Services amounts are payments to a contracted vendor for child support collections and distributions. The contract is bid and awarded by OA. Sixty-six (66) percent of the amounts paid are federal dollars.

Department of Social Services

Acting Director: Brian Kinkade

The Missouri Department of Social Services' (DSS) core functions include child protection and permanency, access to quality health care, youth rehabilitation, and maintaining and strengthening families. DSS accomplishes these functions through the following divisions:

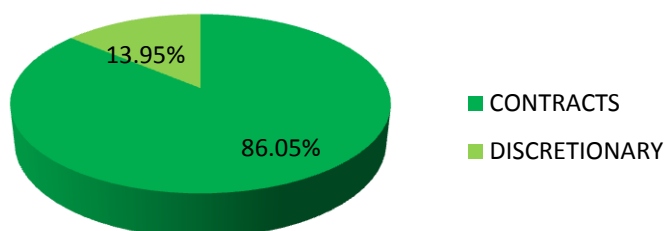
- Office of the Director
- Children's Division
- Family Support Division
- MO Health Net Division
- Division of Youth Services
- Division of Finance and Administration
- Division of Legal Services

This structure combines the efforts of related agencies and promotes a cooperative approach toward delivering social programs to Missourians in need. During Fiscal Year 2012, DSS incurred the following expenditures:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Department of Social Services	\$3,385,117.55	\$3,027,430.67	\$108,423,575.69	\$114,836,123.91	2.95%	2.64%

In the tables above and below, Net Expenditures represents DSS's Total Agency Expenditures of **\$127,288,697.91** minus excludable expenditures of **\$12,452,574.00** for FY 2012.

DPMM CONTRACTS			DISCRETIONARY CONTRACTS		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$2,961,876.28	\$2,360,250.53	\$93,497,803.22	\$423,241.27	\$667,180.14	\$14,925,771.94
\$98,819,930.03			\$16,016,193.35		
86.05%			13.95%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for DSS are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2544 Other Professional Services	11,310.17	\$100,175.21	\$72,045,464.29	\$72,156,949.67	0.02%	0.14%
2250 Office Supplies	\$268,426.45	\$71,684.86	\$1,720,119.72	\$2,060,553.50	13.04%	3.47%
2514 Program Consultant Services	\$0.00	\$74,475.50	\$32,293,419.90	\$32,367,895.40	0.00%	0.23%
2433 Medical & Dental Services	\$80.00	\$0.00	\$3,472,269.83	\$3,472,349.83	0.00%	0.00%
2337 Food & Dietary Supplies	\$0.00	\$0.00	\$2,067,435.21	\$2,067,435.21	0.00%	0.00%

For contracts set up through OA DPMM that contain M/WBE participation requirements, DSS accumulated subcontracting allocations of **\$13,578,660.22** with MBE subcontractors, and **\$30,283,848.04** with WBE subcontractors, for a cumulative expenditure total of **\$43,862,508.26** since the inception of these contracts.

Department of Transportation

Director: Kevin Keith

The Missouri Department of Transportation (MoDOT), under the guidance of the Missouri Highways and Transportation Commission, is committed to providing the public with a safe and modern transportation system. MoDOT is responsible for maintaining 32,800 miles of highways and 10,224 bridges throughout the state.

In addition to designing, building and maintaining roads and bridges, MoDOT works to improve airports, river ports, railroads, public transit systems and pedestrian and bicycle travel. The agency also administers motor carrier and highway safety programs. MoDOT has seven districts statewide and a Central Office in Jefferson City which houses the following divisions:

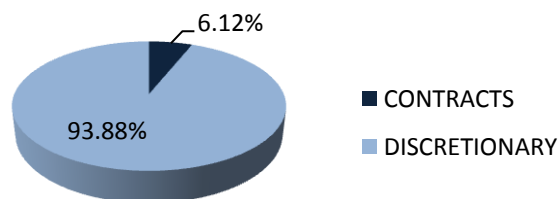
- Director
- Audits & Investigations
- Bridge
- Chief Counsel
- Commission Secretary
- Customer Relations
- Construction and Materials
- Design
- Equal Opportunity & Diversity
- External Civil Rights
- Financial Services
- General Services
- Governmental Relations
- Human Resources
- Information Systems
- Maintenance
- Motor Carrier Services
- Multimodal Operations
- Risk & Benefits Management
- Traffic and Highway Safety
- Transportation Planning

During Fiscal Year 2012, MoDOT incurred the following expenditures:

	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
Department of Transportation	\$9,904,136.40	\$2,118,144.86	\$208,117,413.38	\$220,139,694.64	4.50%	0.96%

In the tables above and below, Net Expenditures represents MoDOT's Total Agency Expenditures of **\$221,075,328.54** minus excludable expenditures of **\$935,633.90** for FY 2012.

CONTRACTS			DISCRETIONARY		
MBE	WBE	NON-M/WBE	MBE	WBE	NON-M/WBE
\$8,394,477.72	\$608,870.10	\$4,479,128.41	\$1,509,658.68	\$1,509,274.76	\$203,638,284.97
\$13,482,476.23			\$206,657,218.41		
6.12%			93.88%		



Represented in the pie chart diagram and the table above is the breakdown between contractual and discretionary spending of the "Net" Agency Expenditure Amount.

The top five expenditures for MoDOT are shown in the table below along with the level of M/WBE participation achieved.

OBJECT CODES	MBE EXPENDITURES	WBE EXPENDITURES	NON-M/WBE EXPENDITURES	NET EXPENDITURES	MBE %	WBE %
2331 Other Repair and Maint. Supp.	\$7,641.58	\$219,525.46	\$84,964,698.57	\$85,191,865.61	0.01%	0.25%
2544 Other Professional Services	\$590,629.84	\$222,611.02	\$26,222,304.43	27,035,545.29	2.18%	0.82%
2328 Motor Fuel	\$0.00	\$580.73	\$28,618,739.59	\$28,619,320.32	0.00%	0.00%
2748 Vehicles	\$0.00	\$0.00	\$12,997,226.70	12,997,226.70	0.00%	0.00%
2325 Vehicle Repair Supplies	\$0.00	\$1,079.72.00	\$8,595,032.15	\$8,596,111.87	0.00%	0.01%

For contracts set up through OA DPMM that contain M/WBE participation requirements, MoDOT accumulated subcontracting allocations of **\$577,814.36** with MBE sub contractors, and **\$141,879.05** with WBE sub contractors, for a cumulative expenditure total of **\$719,693.41** since the inception of these contracts.

OEO Fiscal Year 2013 Recommendations

When you take into consideration the variety of services provided by each agency, the differences noted in the types of expenditures (contract vs. discretionary) agencies engage in, and the availability of minorities and women to fill agencies' unique needs, some unique challenges exist that cannot be addressed by a "cookie cutter" approach. The method that increases minority participation for one agency may have less than stellar results for another.

The OEO, in combination with the support and efforts of DPMM, departments and agencies, has been reviewing, dissecting, and examining current policies and procedures to analyze the long-term results these policies have had on the achievement of MWBE participation in the absence of a program with mandated goals. The bulk of this focus has been on DPMM procurement contracts to determine which policies are producing desired results and which policies need tweaking.

Specifically, we have been asking the following questions: What policies are in place to provide the highest probability of success toward an increase in participation percentages? What policies have had limited or no impact on participation percentages? And finally, what policies have had a negative impact on participation percentages?

A current disparity study would certainly provide the most comprehensive evidence and independent opinion of areas where statistically significant disparities exist. However, in the absence of a current disparity study, opportunities for improvements still exist.

The recommendations that follow provide a foundation for improvements in the way current policies can be interpreted. The implementation of these recommendations should have a positive effect on increasing the rate at which minority and women-owned entities are able to participate in state contract opportunities.

GREATER FOCUS ON INDIVIDUAL CONTRACT PARTICIPATION ACHIEVEMENT

The state of Missouri is blessed to have several IT minority and/or women owned firms who have the capacity to conduct business not only at a national level but internationally as well. Each of these firms continues to receive state contracts and, as a result, their expenditures are included in the state's total M/WBE expenditure analyses.

The OEO database contains roughly 1,600 vendors. These global IT minority and women owned companies represent at least three out of this 1,600 total. In spite of the difference in the total number of firms, expenditures with each of these three IT firms far exceed any amounts paid on the combined contracts to the remaining vendors in OEO's database. To better explore actual participation rates, any analysis that combines total M/WBE expenditures, without taking into consideration the makeup of the vendors involved, can grossly overstate actual participation rates. To ensure issues are appropriately identified, future analyses should take these factors into consideration.

INCREASE THE TOTAL NUMBER OF CONTRACTS WITH M/WBEs

OEO has a large database of M/WBE contractors but only a small portion of contractors have the capacity to be prime contractors. Therefore, a greater focus on M/WBE subcontracting opportunities would increase participation rates. One way to increase MWBE participation is by providing more incentives for prime contractors to partner with M/WBEs.

Our current policy typically awards a maximum of 10 points to any candidate that offers at least 10% MBE participation on an RFP. This method not only discourages any candidate from proposing more than 10%, it offers no incentive for increasing the participation levels if every candidate is limited to a maximum of 10 points. With each candidate being awarded the same number of points, the playing field is leveled and the M/WBE participation incentive becomes an

INCREASE THE TOTAL NUMBER OF CONTRACTS WITH M/WBEs (cont.)

insignificant component. A higher number of available points, combined with an objective process for assigning these points, could put the incentive back into this process.

If we focus our attention on better ways to assign points in the RFP bid process, the intended outcome would be to reward those primes who have established relationships with M/WBEs and who are already meeting or exceeding their participation goals. This new focus would also provide incentive to those primes not currently meeting participation goals to consider including a minority or a woman in their bid proposal.

ENFORCE COMPLIANCE ON CONTRACTS WITH M/WBE PARTICIPATION

For contracts that have M/WBE participation, our current policy allows a prime vendor to request a waiver if he/she is unable to meet the participation goal with an MWBE that will provide a “commercially useful” function or service on the contract. However, once a waiver is obtained, the original MWBE goals are rarely achieved.

Once a contract that has M/WBE participation goals has been initiated, one way to ensure these M/WBE participation goals are met is to require that payments earmarked for an M/WBE only go to an M/WBE. If we allow the prime to use the “good faith” efforts to obtain a waiver from the “commercially useful” function, we should consider requiring the prime to seek out another M/WBE for other purposes or functions that may not be “commercially useful” or for a function that is not an integral part of contract completion. By considering this, we increase the likelihood that contracts will achieve the M/WBE participation rates outlined in the contract.

ENFORCE COMPLIANCE ON CONTRACTS THAT FAIL TO MEET CONTRACTUAL REQUIREMENTS

Given the numerous examples of contracts that have not met the participation requirements, we need to revisit the state’s policy regarding contract enforcement, including suspension and debarment. Stated participation rates in an RFP represent a contractual obligation. If the failure to adhere to a contractual obligation has no consequences, it does not represent a “true” obligation. Further consideration must be given regarding how to handle instances where the stated participation rate has not been achieved.